

**EXHIBIT B**

**SBC's FCC Ex Parte**

ORIGINAL

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EX PARTE OR LATE FILED



February 29, 2000

RECEIVED

FEB 29 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Ex Parte**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: **CC Docket No. 96-98: Implementation of the Local Competition Provisions  
of the Telecommunications Act of 1996**

Dear Ms. Salas:

On behalf of Bell Atlantic, Intermedia Communications, BellSouth Corporation, SBC Telecommunications, Inc., Focal Communications, Time Warner Telecom, GTE Service Corporation, U.S. West, Inc., and WinStar Communications, Inc., I submit the attached letter for inclusion in the above-referenced docket.

Pursuant to section 1.1206 of the Commission's rules, an original and one copy of this notice are being submitted.

Sincerely,

  
Attachment

No. of Copies rec'd 041  
List A B C D E

February 28, 2000

The Honorable William E. Kennard, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W. Room 8-B-201  
Washington, DC 20554

The Honorable Susan Ness, Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8-B-115  
Washington, DC 20554

The Honorable Harold W. Furchtgott-Roth, Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W. Room 8-A-302  
Washington, DC 20554

The Honorable Michael K. Powell, Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room 8-A-204  
Washington, DC 20554

The Honorable Gloria Tristani, Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street S.W., Room 8-C-302  
Washington, DC 20554

Re: Implementation of the Local Competition Provisions of the Telecommunications Act of  
1996, CC Dkt. No. 96-98

Dear Chairman Kennard and Commissioners:

The Third Report and Order, as modified by the Supplemental Order, addressed the circumstances under which carriers may purchase loop/transport combinations as unbundled network elements (UNEs). The undersigned believe that the industry could benefit from a further clarification of that Order. Based on the text and the intent of the Third Report and Order and the Supplemental Order, as well as the ex parte referenced in footnote nine of the Supplemental Order, the undersigned believe that, under existing rules and policies reflected in those Orders, a requesting carrier may purchase loop/transport combinations only if one of the three options described below is met.

Option 1

- The telecommunications carrier is the exclusive provider of an end user's local exchange service and the loop transport combination originates at a customer's premises and terminates at the telecommunications carrier's collocation arrangement; and
- this option does not allow loop/transport combinations to be connected to ILEC services.

- or -

Option 2

- The telecommunications carrier provides local exchange and exchange access service to the end user customer and handles at least one third of the end user customer's local traffic measured as a percent of total end user customer lines; and
- for DS1 level and above, at least 50% of the activated channels on the loop portion of the loop and transport combination have at least 5% local voice traffic individually; and
- the entire loop facility has at least 10% local voice traffic; and
- the loop/transport combination originates at a customer's premises and terminates at the telecommunications carrier's collocation arrangement, and
- if a loop/transport combination includes multiplexing, each of the multiplexed facilities must meet the above criteria for this option. For example, if DS1 loops are multiplexed onto DS3 transport, each of the individual DS1 facilities must meet the criteria for this option in order for the DS1/DS3 loop/transport combination to qualify for UNE treatment; and
- this option does not allow loop/transport combinations to be connected to ILEC services.

- or -

Option 3

- For the conversion of services to combinations of unbundled network elements, at least 50% of the activated channels are used to provide originating and terminating local dial tone service and at least 50% of the traffic on each of these local dial tone channels is local voice traffic (measured based on the incumbents local exchange area);<sup>1</sup> and
- the entire loop facility has at least 33% local voice traffic; and
- if a loop/transport combination includes multiplexing, each of the multiplexed facilities must meet the above criteria for this option. For example, if DS1 loops are multiplexed onto DS3 transport, each of the individual DS1 facilities must meet the criteria for this option in order for the DS1/DS3 loop/transport combination to qualify for UNE treatment; and
- this option does not allow loop/transport combinations to be connected to ILEC services.

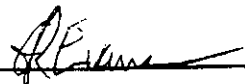
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<sup>1</sup> The signatory ILECs interpret the existing orders as requiring combinations to terminate in a collocation facility, however, they agree to waive that requirement only with respect to option three, subject to the other limitations of this letter. All of the signatories agree that the absence of a collocation requirement for Option 3 cannot be read to suggest that UNE loops or loop/transport combinations can be connected to ILEC services.

In order to confirm reasonable compliance with these requirements, the undersigned agree that certain auditing rights are appropriate. It is not the parties' intention that such audits be routine practice, but rather would be invoked when the ILEC has concern that a UNE purchaser has not met the criteria for significant local service. In particular, the parties agree that auditing consistent with the following general guidelines would be reasonable and appropriate.

- 1) The ILEC may, upon 30 days written notice to a carrier that has purchased loop/transport combinations as UNEs, conduct an audit to ascertain whether those loop/transport combinations were eligible for UNE treatment at the time of certification and on an ongoing basis thereafter.
- 2) The CLEC shall make reasonable efforts to cooperate with any audit by the ILEC and shall collect, compile, maintain and, in connection with an audit, provide the ILEC with relevant records (for example call detail records) for all traffic that has been transmitted over all loop/transport combinations subject to the audit. CLECs must maintain auditable records for at least 12 months, or, in the event of an audit or dispute, until such audit or dispute is resolved, whichever is longer.
- 3) An independent auditor hired and paid for by the ILEC shall perform any audits, *provided, however*, that if an audit reveals that a certification by the CLEC does not meet or has not met the certification requirements, the CLEC shall reimburse the ILEC for the cost of the audit.
- 4) An audit shall be performed using industry audit standards during normal business hours, unless there is mutual agreement otherwise.
- 5) The ILEC may not exercise its audit rights with respect to a particular CLEC (excluding affiliates) more than twice in any calendar year, unless an audit finds noncompliance.
- 6) Audits conducted by the ILEC for the purpose of determining compliance with certification criteria are "over and above" any audit rights that the ILEC may have pursuant to an interconnection agreement between the CLEC and the ILEC.

We would be happy to address any questions you might have regarding our proposal.

  
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/s/ Gordon R. Evans  
Vice President Federal Regulatory  
Bell Atlantic

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/s/ Robert T. Blau  
Vice President Executive and Federal Regulatory  
Affairs  
BellSouth Corporation

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/s/ Richard Metzger  
Vice President Regulatory & Public Policy  
Focal Communications

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/s/ Alan F. Ciamporocero  
Vice President – Regulatory Affairs  
GTE Service Corporation

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/s/ Heather B. Gold  
Vice President- Industry Policy  
Intermedia Communications

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/s/ Priscilla Hill-Ardoin  
Senior Vice President – Federal  
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SBC Communications Inc.

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/s/ Don Shephard  
Vice President, Federal Regulatory  
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/s/ Melissa Newman  
Vice President- Regulatory Affairs  
U.S. West, Inc.

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/s/ Russell C. Merbeth  
Vice President, Legal and Regulatory  
Affairs  
WinStar Communications, Inc.

cc: K. Brown  
D. Attwood  
R. Beynon  
J. Goldstein  
S. Whitesell  
K. Dixon  
C. Wright  
L. Strickling  
R. Atkinson  
M. Carey  
J. Jackson  
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/s/ Gordon R. Evans  
Vice President Federal Regulatory  
Bell Atlantic

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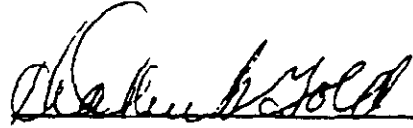
/s/ Robert T. Blau  
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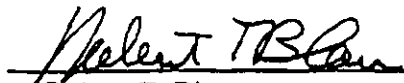
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*Richard Metzger*

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/s/ Richard Metzger  
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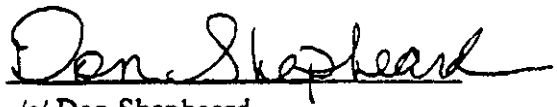
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/s/ Don Shepherd (AT)  
Vice President, Federal Regulatory  
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